

FEDERAL HOME LOAN BANK OF ATLANTA  
**2017 COMMUNITY LENDING PLAN**

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## **EXECUTIVE SUMMARY**

The 2017 Community Lending Plan includes a summary of the major activities engaged in by the Federal Home Loan Bank of Atlanta (Bank) in 2016 to gather data and feedback on the community finance needs in the Bank's district, an overview of the notable current demographic, housing, and other market conditions in the district, and the strategic initiatives and quantitative goals for 2017.

The Bank participated in 58 events, workshops, and other activities that were sponsored, conducted, and/or managed by the Bank that provided the Bank the opportunity to gather primary data and feedback from members, for-profit and non-profit intermediaries, regulators, developers, government and quasi-governmental agencies. The data and feedback from these primary sources focused on community development products, the Community Reinvestment Act (CRA) and affordable housing products, and other issues. The Bank also engaged in an assessment of secondary sources of data to assess the current housing and other market conditions in the district through the research and analysis published by the following entities: Census Bureau, Bureau of Labor Statistics, Joint Center for Housing Studies of Harvard University, National Association of Realtors, Wall Street Journal, Board of Governors of the Federal Reserve System, University of Wisconsin-Whitewater, National Oceanic and Atmospheric Administration, FEMA, USDA, and the FDIC.

Based on the assessment of primary and secondary data, the Bank will continue to build upon several of its 2016 initiatives with updated community lending strategic initiatives in 2017 that address:

### **Continuing Initiatives:**

- CRA Center of Excellence
- Implement Community Rebuild and Restore product and leverage Structured Partnership Products (SPP) opportunities to respond to major disaster events in the district
- A suite of products and services to assist members in response to Veterans' housing challenges

### **New in 2017:**

- Supporting our Minority Depository Institutions (MDIs) with their markets' credit and housing needs
- Supporting our Community Development Financial Institutions (CDFIs), both depository and non-depository, with their markets' credit and housing needs

In addition to the 2017 strategic initiatives, the Bank will focus on quantitative community outreach goals.

## **INTRODUCTION**

The Bank collects data and conducts research to better understand the district's community finance needs, challenges, and problems and to identify opportunities for solutions in the district. Both primary and secondary sources of data are utilized to understand the community finance needs in the district. The Bank accumulated primary data market needs feedback via its participation in activities, events, and workshops with members, for-profit and non-profit developers, intermediaries, public officials, and regulators. The Bank used secondary sources of data to assess the current housing and other market conditions through the research and analysis published by the following entities: Census Bureau, Bureau of Labor Statistics, Joint Center for Housing Studies of Harvard University, National Association of Realtors, Wall Street Journal, Board of Governors of the Federal Reserve System, University of Wisconsin-Whitewater, National Oceanic and Atmospheric Administration, USDA, FDIC, and the Federal Emergency Management Agency (FEMA).

## PART ONE:

### DETERMINING THE COMMUNITY FINANCE NEEDS OF THE BANK'S DISTRICT

#### I. Primary Sources of Data and Understanding

##### **2016 Bank Participation in Activities and Events to Ascertain Community Lending and Market Needs and Receive Community Feedback**

To provide the basis for formulating its 2017 initiatives, the Bank, in 2016, demonstrated its commitment to better understand the community lending needs of the communities within the Bank's district by engaging in over fifty (50) events where community lending and market needs data were shared and discussed with developers, non-profit organizations, CRA regulators, lending professionals, etc. The events included a mixture of Bank-sponsored events and other events conducted by other parties including regulators, trade associations, members of FHLBank Atlanta, and government agencies. In addition to gathering community lending and market needs data and information, Bank staff better positioned themselves to ascertain community lending and markets needs by participating numerous events by either serving as a speaker, panelist, moderator, or exhibitor. The Bank also leveraged members of its Affordable Housing Advisory Council and members of its board of directors to further enhance community feedback.

A summary of the Bank's 2016 participation in 58 various events to ascertain community lending needs is as follows:

Name of Event	Date	Location	Description; Participants; Focus
<b>South Florida Community Development Coalition (SF CDC) Event</b>	01/13/16	Miami, FL	<ul style="list-style-type: none"><li>• 23 attendees</li><li>• CIS Rental Production Manager provided a presentation on the FHLBank of Atlanta's (Bank) AHP products and services</li><li>• Group of local-based non-profits</li></ul>
<b>CRA Interagency Conference (FDIC, OCC, Federal Reserve)</b>	02/7/16 thru 02/10/16	Los Angeles, CA	<ul style="list-style-type: none"><li>• 35 attendees</li><li>• CIS Director and CIS Business Development Manager hosted a reception for Bank members and regulators attending the 2016 Interagency Community Reinvestment Conference</li></ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>AHFA 2016 HOME/Housing Credit Application Workshop</b>	02/16/16	Montgomery, AL	<ul style="list-style-type: none"> <li>• 14 attendees</li> <li>• CIS Lending &amp; Disbursement Analyst and CIS Public Finance Relationship Manager delivered a presentation regarding how the Bank can assist multifamily housing developers</li> <li>• For-profit and non-profit rental developers</li> </ul>
<b>Commercial Real Estate Strategies Seminar (University of Alabama)</b>	02/23/16	Birmingham, AL	<ul style="list-style-type: none"> <li>• 34 attendees</li> <li>• CIS Public Finance Relationship Manager joined by an Advisory Council member to discuss the Bank's products and services related to commercial real estate</li> <li>• Real estate industry professionals</li> </ul>
<b>TriStar Breakfast AHP Networking Meeting</b>	02/25/15	Atlanta, GA	<ul style="list-style-type: none"> <li>• 13 attendees</li> <li>• Bank- hosted event</li> <li>• CIS Lending &amp; Disbursement Analyst and CIS Public Finance Relationship Manager presentation regarding AHP and public finance opportunities</li> <li>• Developer audience</li> </ul>
<b>DeKalb County Development Authority Meeting</b>	02/29/16	Atlanta, GA	<ul style="list-style-type: none"> <li>• 20+ attendees</li> <li>• CIS Public Finance Relationship Manager presented the Bank's public finance services and opportunities</li> <li>• Government officials</li> </ul>
<b>Atlanta BeltLine Development Finance Workshop</b>	03/04/16	Atlanta, GA	<ul style="list-style-type: none"> <li>• 115+ attendees</li> <li>• Bank-hosted event</li> <li>• CIS Director moderated the event for non-profit and for-profit developers</li> <li>• Panels included public and private sector lending professionals</li> </ul>
<b>GEDA Event - "Local Authorities: Partners in Economic Development"</b>	03/09/16	Perry, GA	<ul style="list-style-type: none"> <li>• 15 attendees</li> <li>• CIS Public Finance Relationship Manager presentation related to letters of credit and how the Bank can help facilitate local economic growth</li> <li>• Government officials</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>CDFI Coalition Institute Meeting</b>	03/09/16 thru 03/10/16	Washington, DC	<ul style="list-style-type: none"> <li>• 20+ attendees</li> <li>• CIS Director and Sales &amp; Trading Operations Manager</li> <li>• CDFI audience</li> </ul>
<b>SAHP SPP Information Day</b>	03/19/16	Mobile, AL	<ul style="list-style-type: none"> <li>• Pre-launch of structured partnership product (SPP) between FHLBank Atlanta and the Alabama Department of Insurance (ALDOI)</li> <li>• 7 attendees</li> <li>• CIS Ownership Production Manager presented the “Strengthening Alabama Home Partnership” SPP</li> </ul>
<b>FHLBank System CIO Meeting</b>	04/04/16 thru 04/06/16	Atlanta, GA	<ul style="list-style-type: none"> <li>• CIS Director and CIS Risk Management hosted the meeting</li> <li>• 40 Attendees</li> </ul>
<b>OCC Minority Depository (MDI) Meeting</b>	04/05/16	Washington, DC	<ul style="list-style-type: none"> <li>• CIS Systems and Reporting Manager and CIS Business Development Manager attended convening of the OCC’s Minority Depository Institutions Advisory Committee (MDIAC)</li> <li>• Regulators and bankers in attendance</li> </ul>
<b>National Association of Local HFAs - Board Meeting &amp; Dinner</b>	04/13/16	Washington, DC	<ul style="list-style-type: none"> <li>• 13 attendees</li> <li>• CIS Public Finance Relationship Manager discussion involving a broad range of issues related to HFAs and community development</li> <li>• Local HFA representatives</li> </ul>
<b>FHLBank Atlanta CDFI Workshop</b>	04/14/16	Atlanta, GA	<ul style="list-style-type: none"> <li>• 11 attendees</li> <li>• Sales and Trading Manager and CIS Director and other Bank staff presented the Bank’s products to CDFI members</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>African American Mayors Association (AAMA) Annual Conference</b>	04/21/16 thru 04/22/16	Washington, DC	<ul style="list-style-type: none"> <li>• 23 attendees</li> <li>• CIS Director and CIS Public Finance Relationship Manager attended</li> <li>• Mayors discussed strategies to connect their cities to national policy objectives for the benefit of their residents</li> <li>• The current chair of the AAMA is a FHLBank Atlanta Advisory Council member</li> <li>• Public Finance Relationship Manager discussed the Bank's product and services offering and letter of credit and bond opportunities</li> </ul>
<b>NCBA's American Mortgage Conference</b>	04/26/16	Raleigh, NC	<ul style="list-style-type: none"> <li>• 140+ conference attendees/20 during presentation</li> <li>• CIS Director delivered a presentation on "Banking the Unbanked," an initiative in response to concerns of predatory lending and FinTech's effect on traditional banks' ability to maintain and acquire new customers</li> <li>• Mortgage bankers</li> </ul>
<b>Virginia Assoc. of Housing Community Development Officials (VAHCDO) Annual Conference</b>	04/27/16 thru 04/29/16	Virginia Beach, VA	<ul style="list-style-type: none"> <li>• 150+ attendees</li> <li>• FHLBank Atlanta was a sponsor for this event focusing on how to maneuver today's challenges to preserving affordable housing</li> <li>• Local government officials</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>CRA Business Development Forum</b>	04/29/16	Huntsville, AL	<ul style="list-style-type: none"> <li>• 32 participants</li> <li>• Opening remarks provided by Huntsville Mayor, The Honorable Thomas "Tommy" Battle, Jr., Mayor of the City of Huntsville; Scott E. Latham, President and CEO of the Alabama Bankers Association; FHLBank Atlanta Advisory Council member and Executive Director of the Alabama Center for Real Estate, Grayson Glaze</li> <li>• Regulator panel participation from FDIC, OCC, and Federal Reserve</li> <li>• CIS Director and Bank staff presented the Bank's community lending products and their double bottom line impact on banks' business development and CRA objectives</li> </ul>
<b>HFA CFO Conference</b>	05/03/16	St. Petersburg, FL	<ul style="list-style-type: none"> <li>• 13 attendees</li> <li>• CIS Public Finance Relationship Manager and Sales &amp; Trading Operations Manager were on hand to meet with both lenders and end-beneficiaries of the Bank's products and services</li> <li>• The Bank was a sponsor for the event</li> </ul>
<b>CDFA Board Meeting &amp; Capitol Hill Night</b>	05/04/16 thru 05/05/16	Washington, DC	<ul style="list-style-type: none"> <li>• 27 attendees</li> <li>• Council of Development Finance Agencies (CDFA) event</li> <li>• Public Finance Relationship Manager were on to meet with both lenders and end-beneficiaries of the Bank's products and services</li> <li>• The Bank was a sponsor at the event</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>The PenFed Foundation's Night of Heroes Gala</b>	05/11/16	Washington, DC	<ul style="list-style-type: none"> <li>• 160+ attendees</li> <li>• Annual gala to honor those who have demonstrated leadership in providing support and services to our returning military, veterans and their families</li> <li>• The Bank participated as a sponsor at the event</li> </ul>
<b>Atlanta BeltLine, Inc. (ABI) SPP Public Launch</b>	05/12/16	Atlanta, GA	<ul style="list-style-type: none"> <li>• 28 attendees</li> <li>• The Bank's Chief Business Officer and CIS staff hosted the launch of the Bank's SPP with the Atlanta BeltLine, Inc.</li> <li>• Kick-off event for shareholders participating in the 2016 Atlanta BeltLine, Inc. Housing Initiative Program</li> <li>• Local officials, members, realtors</li> </ul>
<b>SAHP (SPP) In-market Event Public Launch</b>	05/19/16	Mobile, AL	<ul style="list-style-type: none"> <li>• 23 attendees</li> <li>• Launch of SPP</li> <li>• Director of CIS, CIS Business Development Relationship Manager, and Director of Alabama Department of Insurance, Brian E. Powell, provided an overview and explained the benefits of the SPP</li> </ul>
<b>"Developing Downtown" Conference (Seyfarth Shaw)</b>	05/23/16	Atlanta, GA	<ul style="list-style-type: none"> <li>• 12 attendees</li> <li>• CIS Public Finance Relationship Manager delivered a presentation on the Bank's bond and letter of credit opportunities</li> <li>• Public officials</li> </ul>
<b>NHC's 44th Annual Housing Visionary Award Gala</b>	06/02/16	Columbia, SC	<ul style="list-style-type: none"> <li>• 150+ attendees</li> <li>• NHC's 44th Annual Housing Visionary Award Gala and 2016 Annual Policy Symposium comprised of two days of focus on what matters most to the affordable housing community: the policies and practices that will move housing forward.</li> <li>• The Bank was a sponsor of the event</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>GEDA Economic Development Conference</b>	06/08/16	Atlanta, GA	<ul style="list-style-type: none"> <li>• 22 attendees</li> <li>• CIS Public Finance Relationship Manager was on hand to answer questions regarding the Bank’s bond and letter of credit opportunities</li> <li>• Local officials</li> </ul>
<b>Annual Member’ Conference (AMC)</b>	06/09/16 thru 06/12/16	Amelia Island, FL	<ul style="list-style-type: none"> <li>• CIS Director presented</li> <li>• 147 Attendees/25 at presentation</li> <li>• Focus of presentation: “Banking the Unbanked”</li> </ul>
<b>CDFA Georgia Financing Roundtable Conference</b>	06/16/16	Atlanta, GA	<ul style="list-style-type: none"> <li>• 46 Attendees</li> <li>• CIS Public Finance Relationship Manager was on hand to discuss letter of credit and bond financing opportunities</li> <li>• Local officials</li> </ul>
<b>Florida Association of Local HFAs (FL ALHFA) Annual Education Conference</b>	07/06/16 thru 07/09/16	St. Petersburg, FL	<ul style="list-style-type: none"> <li>• 140+ attendees</li> <li>• Executive Directors, board and staff of each FL local housing finance agency</li> <li>• Director of CIS and Sales and Trading Manager presented regarding Structured Partnerships for 2017 and ideas on how to increase business with local HFAs</li> <li>• The Bank was a sponsor</li> </ul>
<b>Homebuilder Partnerships with Federal Home Loan Banks</b>	08/03/16	<i>Virtual</i>	<ul style="list-style-type: none"> <li>• 11 participants</li> <li>• Chief Business Officer and CIS Director presented during NAHB-hosted webinar geared towards developers of affordable housing rental units, to enhance current and potential users understanding of Bank products and requirements and benefits</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>CRA Business Development Forum</b>	08/12/16	Arlington, VA	<ul style="list-style-type: none"> <li>• 33 participants</li> <li>• Opening remarks provided by The Honorable Christian Dorsey, Board Member of Arlington County Board; Art Bowen, Managing Director of Program Administration for the Virginia Housing Development Authority and FHLBank Atlanta Affordable Housing Advisory Council member; and Clarissa McAdoo, former Executive Director, Suffolk Redevelopment and Housing Authority, and FHLBank Atlanta Affordable Housing Advisory Council member</li> <li>• Regulator panel participation from FDIC, OCC, and Federal Reserve</li> <li>• CIS Director and Bank staff presented the Bank’s community lending products and their double bottom line impact on banks’ business development and CRA objectives</li> </ul>
<b>Banco do Brasil Business Development Luncheon</b>	08/25/16	Orlando, FL	<ul style="list-style-type: none"> <li>• 40+ attendees</li> <li>• The Bank-sponsor at the event</li> <li>• Networking event involving elected officials, developers, realtors, chamber of commerce, nonprofits, etc.</li> <li>• CIS Director hosted the event to connect local business drivers in Central Florida with Banco do Brasil</li> </ul>
<b>Depository CDFI Federal Reserve Event</b>	08/29/16	Jackson, Mississippi	<ul style="list-style-type: none"> <li>• 140 participants</li> <li>• Sales and Trading Manager and CIS Director participated in a panel discussion during the forum to explore priorities, opportunities, strategies, regulatory issues, and other topics affecting CDFI banks in the Southeast</li> <li>• Bank co-sponsored event with Federal Reserve Bank of Atlanta</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>Florida Housing Coalition (FHC) 2016 Conference</b>	09/11/16 thru 09/14/16	Orlando, FL	<ul style="list-style-type: none"> <li>• 700 participants</li> <li>• The Bank sponsor at the event</li> <li>• CIS Business Development Manager was on hand at the Bank's exhibit booth to meet with both lenders and end-beneficiaries of the Bank's products and services</li> <li>• CIS Director presented during a breakout panel</li> </ul>
<b>Florida Developer Feedback Session</b>	09/13/16	Orlando, FL	<ul style="list-style-type: none"> <li>• 18 attendees</li> <li>• The Bank hosted a "Dispelling the Myths" workshop in response to misconceptions regarding the Bank's Affordable Housing Program (AHP) Competitive application, scoring, underwriting, awards, etc. providing clarification and a better understanding of the many benefits of our AHP Competitive program</li> <li>• CIS Director and CIS Rental Production Manager presented the "Dispelling the Myths" document and answer questions</li> </ul>
<b>Florida Developer / Shareholder Meet &amp; Greet</b>	09/13/16	Orlando, FL	<ul style="list-style-type: none"> <li>• 30 Attendees</li> <li>• The Bank hosted a "Meet &amp; Greet" reception for developers and Bank members to connect with for-profit and non-profit developers and sponsors doing business in the Florida area</li> </ul>
<b>South Carolina Assoc. of Community &amp; Economic Development (SCACED) CED Conference</b>	09/14/16 thru 09/16/16	Greenville, SC	<ul style="list-style-type: none"> <li>• 20 participants,</li> <li>• South Carolina Association of Community Economic Development event</li> <li>• The Bank participated as a sponsor at the event</li> <li>• CIS Rental Production Manager, and CIS Business Development Manager were on hand to meet with lenders and other attendees to discuss CIS products and services</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>South Carolina Developer Feedback Session</b>	09/16/16	Greenville, SC	<ul style="list-style-type: none"> <li>• 11 attendees</li> <li>• Bank-hosted “Dispelling the Myths” workshop in response to misconceptions regarding the Bank’s Affordable Housing Program (AHP) Competitive application, scoring, underwriting, awards, etc., and to provide clarification and a better understanding of the many benefits of our AHP Competitive program</li> <li>• CIS Director and CIS Rental Production Manager presented the “Dispelling the Myths” document and answer questions</li> <li>• Affordable Housing Advisory Council member, Valarie Williams, attended and made opening remarks</li> </ul>
<b>South Carolina Developer / Shareholder Meet and Greet</b>	09/16/16 thru 09/16/16	Greenville, SC	<ul style="list-style-type: none"> <li>• 15 attendees</li> <li>• The Bank hosted a “Meet &amp; Greet” reception for developers and members of the Bank to connect with for-profit and non-profit developers and sponsors doing business in the Florida area</li> </ul>
<b>Habitat for Humanity of FLORIDA 2016 State Conference</b>	09/14/16 thru 09/16/16	Orlando, FL	<ul style="list-style-type: none"> <li>• 40 participants</li> <li>• Florida Habitat for Humanity training conference bringing together affiliate leaders, staff, volunteers, and Habitat for Humanity partners</li> <li>• CIS Ownership Production Manager presented the Bank’s products and services</li> <li>• The Bank was a sponsor of the event</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>Virginia Housing Credit Conference</b>	09/21/16	Richmond, VA	<ul style="list-style-type: none"> <li>• 35 attendees</li> <li>• CIS Rental Production Manager attended the conference to answer questions related to the Bank's products and the AHP Competitive application process</li> <li>• LIHTC developers</li> </ul>
<b>NCSHA's 2016 Annual Conference &amp; Showplace and FHLBank Atlanta-hosted District HFA Executive Directors' Lunch</b>	09/24/16 thru 09/27/16	Miami, FL	<ul style="list-style-type: none"> <li>• 30 participants</li> <li>• The Bank hosted a lunch for Executive Directors and other staff of the district's HFAs</li> <li>• Sales and Trading Manager, Collateral Manager, and CIS Director presented</li> </ul>
<b>FDIC Tampa Forum</b>	09/30/16	Tampa, FL	<ul style="list-style-type: none"> <li>• 75 attendees</li> <li>• CIS Director presented on how AHP Competitive could be used for multifamily and supportive housing development</li> <li>• Public officials, developers, regulators</li> </ul>
<b>Alabama Developer Feedback Session</b>	10/04/16	Montgomery, AL	<ul style="list-style-type: none"> <li>• 28 participants</li> <li>• Bank-hosted "Dispelling the Myths" workshop in response to misconceptions regarding the Bank's Affordable Housing Program (AHP) Competitive application, scoring, underwriting, awards, etc. providing clarification and a better understanding</li> <li>• CIS Director and CIS Rental Production Manager presented the "Dispelling the Myths" document and answer questions</li> <li>• Co-sponsored with Alabama Housing Finance Agency (HFA)</li> <li>• Board member Robert Strickland, Council member John Rucker, and Council member Grayson Glaze also presented</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>Alabama Developer / Shareholder Meet and Greet</b>	10/04/16	Montgomery, AL	<ul style="list-style-type: none"> <li>• 25 attendees</li> <li>• The Bank hosted a “Meet &amp; Greet” reception for developers and members of the Bank to connect with for-profit and non-profit developers and sponsors doing business in the Alabama area</li> <li>• Board member Robert Strickland, Council member John Rucker, and Council member Grayson Glaze also in attendance</li> </ul>
<b>NALHFA Fall Conference</b>	10/07/16	Washington, DC	<ul style="list-style-type: none"> <li>• 50 attendees</li> <li>• The Bank co-hosted this event with the National Association of Local Housing Finance Agencies</li> <li>• Bank helped organize event, invited the FHLBank of Boston as a partner</li> <li>• CIS Director and Sales and Trading Manager presented</li> </ul>
<b>NC Bankers/CICCAR "Housing Works" NC Affordable Housing Conference</b>	10/12/16 thru 10/14/16	Raleigh, NC	<ul style="list-style-type: none"> <li>• 500 conference attendees/45 in attendance during FHLBATL panel</li> <li>• The Bank participated as a sponsor at the event</li> <li>• CIS Director presented the Bank’s community lending products and highlighted the Bank’s supportive housing and veterans product and services suite</li> </ul>
<b>Habitat for Humanity of Georgia 2016 State Conference</b>	10/12/16 thru 10/13/16	Braselton, GA	<ul style="list-style-type: none"> <li>• Sponsored event</li> <li>• 35 attendees</li> </ul>
<b>Maryland Community Development Network's 3rd Annual Community Development Week</b>	10/17/16 thru 10/26/16	Baltimore, MD	<ul style="list-style-type: none"> <li>• The Bank participated as a sponsor of the annual conference</li> <li>• The Community Development Network of Maryland is a statewide network made up of over 180 member organizations from across the state</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>Joint Presentation with GaDCA</b>	10/18/16	Atlanta, GA	<ul style="list-style-type: none"> <li>Attendees were tax credit housing developers</li> <li>CIS Rental Production Manager provided overview of AHP Competitive</li> </ul>
<b>Washington, D.C. Developer Feedback Session</b>	10/19/16	Washington, DC	<ul style="list-style-type: none"> <li>35 attendees</li> <li>Bank-hosted “Dispelling the Myths” workshop in response to misconceptions regarding the Bank’s Affordable Housing Program (AHP) Competitive application, scoring, underwriting, awards, etc.</li> <li>CIS Director and CIS Rental Production Manager presented the “Dispelling the Myths” document and answer questions</li> <li>Council member Lisa Mallory and board member Brian Margret also presented</li> </ul>
<b>Washington, D.C. Developer / Shareholder Meet and Greet</b>	10/19/16	Washington, DC	<ul style="list-style-type: none"> <li>25 attendees</li> <li>The Bank hosted a “Meet &amp; Greet” reception for developers and members of the Bank to connect with for-profit and non-profit developers and sponsors doing business in the Washington D.C. area</li> <li>Council member Lisa Mallory and board member Brian Margret also in attendance</li> </ul>
<b>FDIC Annual Economic Inclusion Conference</b>	10/20/16	Tuskegee, AL	<ul style="list-style-type: none"> <li>40 attendees</li> <li>CIS Business Development Manager participated in a panel discussion during the forum to explore priorities, opportunities, strategies, regulatory issues, and other topics affecting CDFI banks in the Southeast</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>2016 OFN Conference Dinner</b>	10/24/16 thru 10/27/16	Atlanta, GA	<ul style="list-style-type: none"> <li>• CIS Strategic Initiatives Team Lead and Sales &amp; Trading Operations Manager hosted a dinner to collaborate with shareholder CDFIs that attended the conference</li> <li>• 20 attendees</li> </ul>
<b>CDFA's 30<sup>th</sup> National Development Finance Summit</b>	11/01/16 thru 11/04/16	New Orleans, LA	<ul style="list-style-type: none"> <li>• CIS Public Finance Relationship Manager presented on a panel as a bond finance expert to an audience of issuers, developers, state agencies, and bond attorneys</li> <li>• 150+ attendees</li> </ul>
<b>Housing Forum / Banker's Roundtable</b>	11/9/16	Miami, FL	<ul style="list-style-type: none"> <li>• FDIC, OCC, FHLBank Atlanta collaborated to host forum to highlight opportunities to close workforce housing gap in Miami-Dade County</li> <li>• CIS Strategic Initiatives Team Lead participated as an information resource for 75+ attendees looking to better understand AHP Competitive and Set-Aside products</li> <li>• Lenders, non-profits, etc.</li> </ul>
<b>National Bank of Commerce / Reunion Bank Business Development Luncheon</b>	11/14/16	St. Augustine, FL	<ul style="list-style-type: none"> <li>• 20 attendees</li> <li>• The Bank hosted a networking event for National Bank of Commerce/Reunion Bank of Florida involving local officials, developers, realtors, chamber of commerce, nonprofits, etc.</li> <li>• CIS Director moderated the event and a discussion on the residential and commercial business opportunities in St. Johns and Volusia counties</li> </ul>

Name of Event	Date	Location	Description; Participants; Focus
<b>2016 Virginia Governor's Housing Conference</b>	11/16/16 thru 11/17/16	Roanoke, VA	<ul style="list-style-type: none"> <li>• VAGHC Annual Conference</li> <li>• Over 750 attendees including affordable housing advocates, practitioners, and policy makers</li> <li>• The Bank participated as a sponsor at the event</li> <li>• Sales &amp; Trading Operations Manager, CIS Director, CIS Business Development Manager, and CIS Strategic Initiatives Team Lead attended to answer questions and provide materials regarding the Bank's products and services</li> </ul>

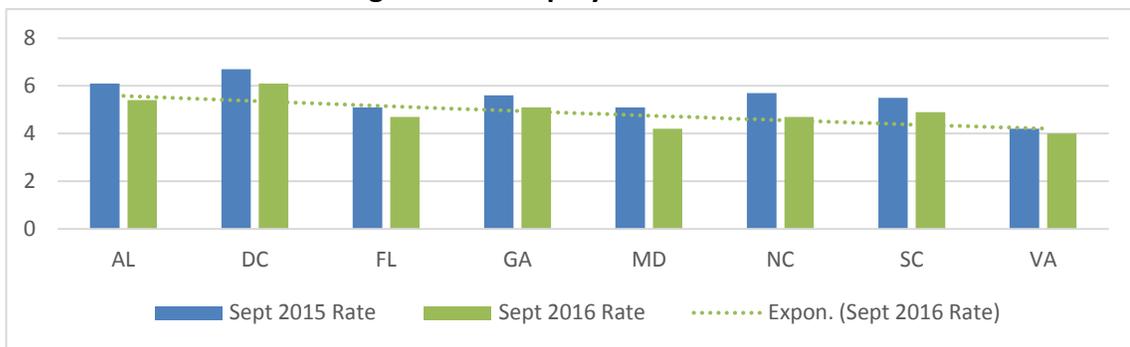
## II. Secondary Sources of Data and Understanding

### A. Demographic Trends

#### Unemployment

Unemployment rates throughout the Bank’s district remained constant or continued in decline in 2016. Four of the seven states in the Bank’s district ended 3Q 2016 with an unemployment rate below the national average of 4.74%. District of Columbia and Alabama have the highest, 6.1% and 5.4% unemployment rates respectively (**Figure 1**), while Maryland and North Carolina experienced the greatest year-over-year change in unemployment rates within the Bank’s district, dropping by a full percentage point between September 2015 and September 2016. The national unemployment rate also dropped by .16% during this time from 4.9% to 4.74%, its lowest level since November 2007, as the job market continues to progress towards recovery.

**Figure 1: Unemployment Rate**



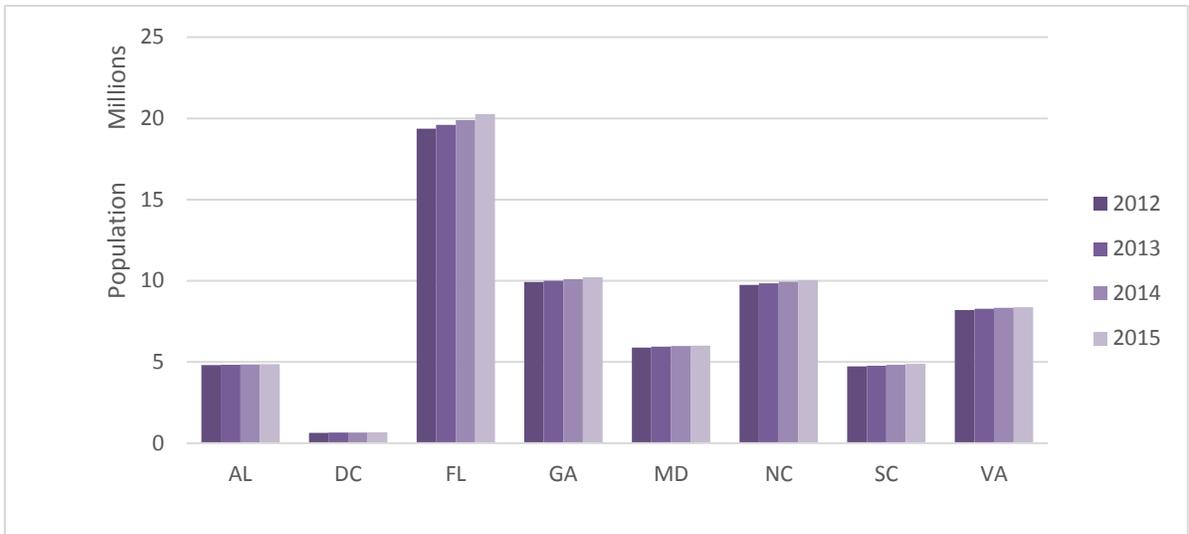
September 2015 – September 2016, Seasonally Adjusted

**Data Source:** [Bureau of Labor Statistics](#)

#### Population Trends

According to [American Community Survey by the Census Bureau](#), population in the Bank’s district increased an average of 1.12 percent annually since 2011. From 2014 to 2015, the population increased by 1.19% to 65,345,681 an addition of 767,615 individuals since prior year results. For the third year in a row, District of Columbia (DC) had the fastest growing population in the district, an increase of 1.88%, followed by Florida, with a 1.84% growth rate (**Figure 2**).

**Figure 2: Population Trend**

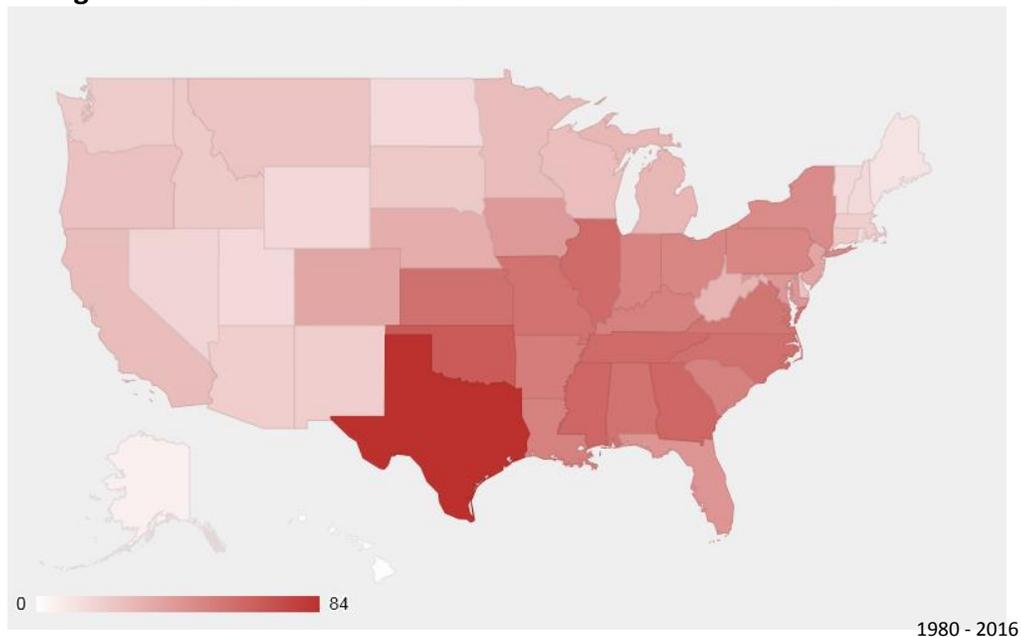


**Data Source:** [Population Estimates State Totals, V2015, U.S. Census Bureau](#)

**B. Impact of Major Disasters**

According to the [National Oceanic and Atmospheric Administration's Center for Environmental Information](#), the US has sustained 200 weather and climate disasters since 1980 where costs exceeded \$1 billion; the total cost of these events cost north of \$1.1 trillion. In 2016, there have been 12 weather and climate-related events with losses beyond the one billion dollar mark across the US.

**Figure 3: NCD NOAA "Billion-Dollar Weather and Climate Disasters"**

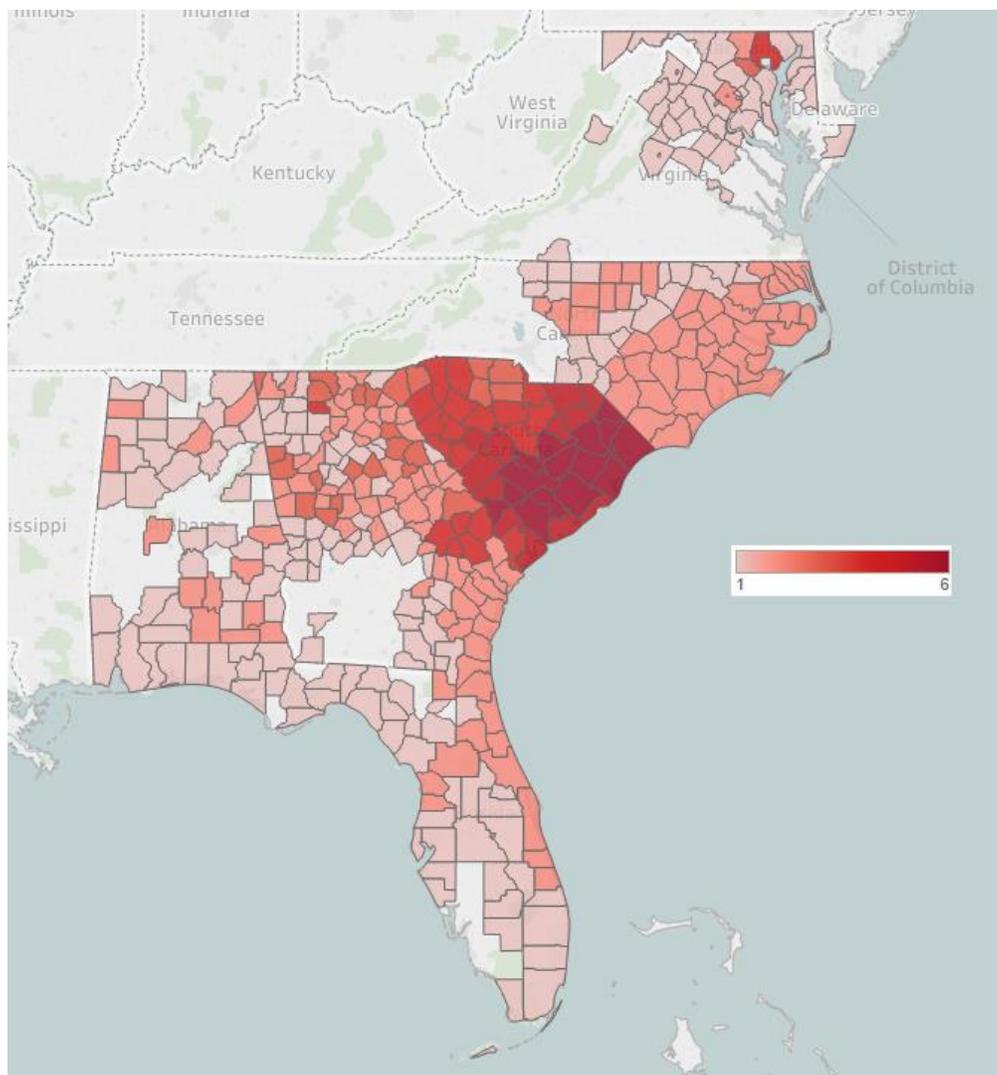


**Data Source:** [National Oceanic and Atmospheric Administration](#)

### Major Disaster Statistics for FHLBank Atlanta district

In response to major disasters, agencies such as FEMA, HUD, Fannie Mae, Freddie Mac, and Housing Finance Agencies provide a variety of disaster resources under the National Response Framework. The natural disasters disrupt people’s lives in addition to causing a financial impact on households and communities. A natural disaster almost always adversely affects the value or habitability of the impacted property. The number of communities in the FHLBank Atlanta district with FEMA “Major Disaster Declaration” designations in the past two years demonstrates that there is a strong need in the Bank’s district to support and facilitate the recovery efforts. The effects of major disasters has been concentrated in South Carolina counties but multiple occurrences have been recorded in most areas along the Atlantic coastline including Florida, Georgia, Maryland, and North Carolina. **(Figure 4).**

**Figure 4: FEMA 2014 – 2016 “Major Disaster Declarations”  
Within FHLBank Atlanta District**



**Data Source:** [FEMA.gov/disasters](https://www.fema.gov/disasters)

In 2016 specifically, there have been 12 “Major Disaster Declarations” by FEMA within the Bank’s district. Each state in the district has experienced at least one declaration. Hurricane Matthew affected five states within the Bank’s district and contributed to five of the 12 declarations in 2016. **(Figure 5).**

**Figure 5: “Major Disaster Declarations” in FHLBank Atlanta district in 2016**

State	Major Disaster	Date of Incident
Alabama	Severe Storms/Flooding	1/21/2016
DC	Snowstorm/Severe Winter	3/3/2016
Florida	Hurricane Hermine	9/28/2016
Florida	Hurricane Matthew	10/8/2016
Georgia	Severe Storms/Flooding	2/26/2016
Georgia	Hurricane Matthew	10/8/2016
Maryland	Snowstorm/Severe Winter	3/4/2016
Maryland	Severe Storms/Flooding	9/16/2016
North Carolina	Hurricane Matthew	10/10/2016
South Carolina	Hurricane Matthew	10/11/2016
Virginia	Snowstorm/Severe Winter	3/7/2016
Virginia	Hurricane Matthew	11/2/2016

**Data Source:** [FEMA.gov/disasters](https://www.fema.gov/disasters)

### C. Outlook for Purchase Market

#### Homeownership

The housing market saw consistency in the sale of existing homes partly due to inventory shortages driving home prices up during 2016, according to the National Association of Realtors. The median existing home sale prices in the South reached a peak in the second quarter 2016, showing that the typical Spring sales season is still the strongest compared to other parts of the year. **(Figure 6).**

**Figure 6: Existing Home Sales and Sales Price**



**Data Source:** [National Association of Realtors®](#)

**Housing Affordability**

Housing affordability is measured by the ratio of median family income to the income needed to purchase the median-priced home based on the current interest rates, expressed as an index. The National Association of Realtors Composite Affordability Index value for the third quarter 2016 shows that families earning the median income have 163.5 percent of the income needed to purchase the median-priced existing home.

The measure of housing affordability nationally declined from the previous year, as the median price of single-family homes and household income increased from the prior year (**Figure 7**). With sale prices continuing to rise, affordability will inversely decline. Therefore, substantial savings and equity will become increasingly important to prospective homebuyers, specifically first time homebuyers, looking to enter and affect the purchase market.

**Figure 7: Housing Affordability Index**

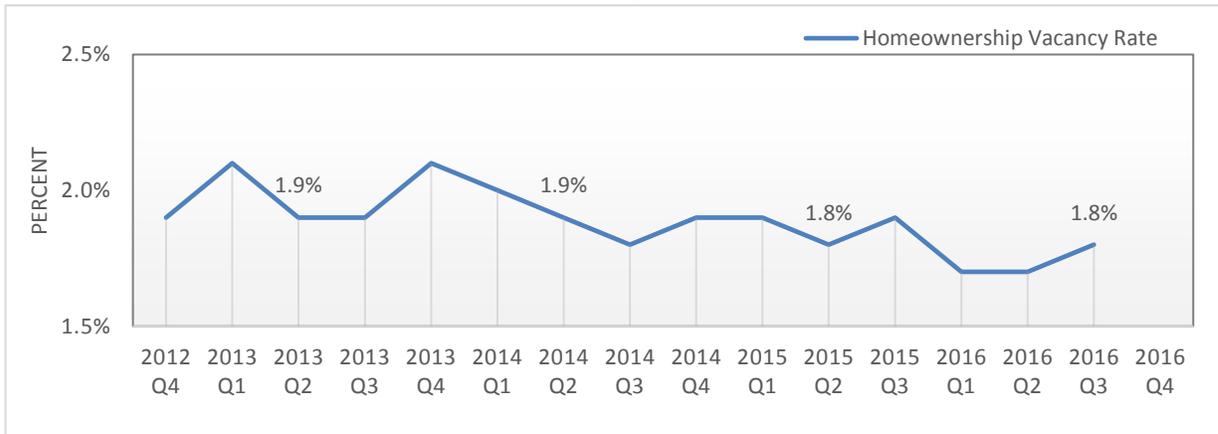
Year	Median Price Existing Single-Family Home	Mortgage Rate	Median Family Income	Qualifying Income	Composite Affordability Index
2013	197,400	4.00	64,030	36,192	<b>176.9</b>
2014	208,400	4.20	66,715	39,120	<b>170.5</b>
2015	223,900	4.03	68,260	41,184	<b>165.7</b>
2016	242,200	3.74	70,305	43,008	<b>163.5</b>

**Data Source:** [National Association of Realtors®](#)

### Homeownership Vacancy Rates

The national vacancy rate in the third quarter 2016 is 1.8 percent for homeowner housing. The homeownership rate of 63.5 percent was 0.2 percentage points (+/-0.4) lower than the third quarter 2015 (63.7 percent). Compared to second quarter of 2016, 63.5 percent homeownership rate is 0.6 percentage points (+/-0.4) higher. The housing market continues to show signs of recovery in the form of sales prices; however, coupled with the decline of homeownership vacancy this dynamic decreases the affordability for new homeowners with low to moderate income.

**Figure 8: Homeownership Vacancy Rates, 2013 – 2016, QTR3**



Data Source: [U.S. Census Bureau](http://www.census.gov)

### First-time Homebuyers

First-time buyers fell to 32% of all purchasers in 2015 from 33% in 2014, the third straight annual decline and the lowest percentage since 1987, according to a report released by the National Association of Realtors.<sup>1</sup> The historical average is 40%, according to the group, which has been recording such data since 1981. The housing market had its strongest year in 2016 for sales since 2007, as projected back in 2015, but the dearth of younger buyers could pose long-term challenges, economists said. Without first-time homebuyers, current owners have difficulty trading up or selling their homes when they retire. One of the main changes for potential first time homebuyers is student loan debt. This debt burden can add to the debt-to-income ratio that lenders use to determine eligibility for mortgage loans.<sup>2</sup> If home prices continue to rise sharply it will become even more difficult for new buyers to enter the market. A quarter of first-time buyers said their biggest challenge was saving for a down payment. Economists also said rents, which have jumped 20% over the last five years, have made it difficult for younger households to put money aside. The most common reasons renters cite for renting rather than owning a home

<sup>1</sup> "Number of First-Time Home Buyers Falls to Lowest Levels in Three Decades, Figure represents third straight annual decline and lowest percentage since 1987" By Laura Kusisto, *Wall Street Journal*, Nov. 5, 2015

<sup>2</sup> Joint Center for Housing Studies of Harvard, [The State of the Nation's Housing 2016](http://www.jchs.harvard.edu). Harvard (2016) pg. 22

are a perceived inability to afford the necessary down payment (50 percent) or a perceived inability to qualify for a mortgage (31 percent)<sup>3</sup>.

#### D. Outlook for Rental Market

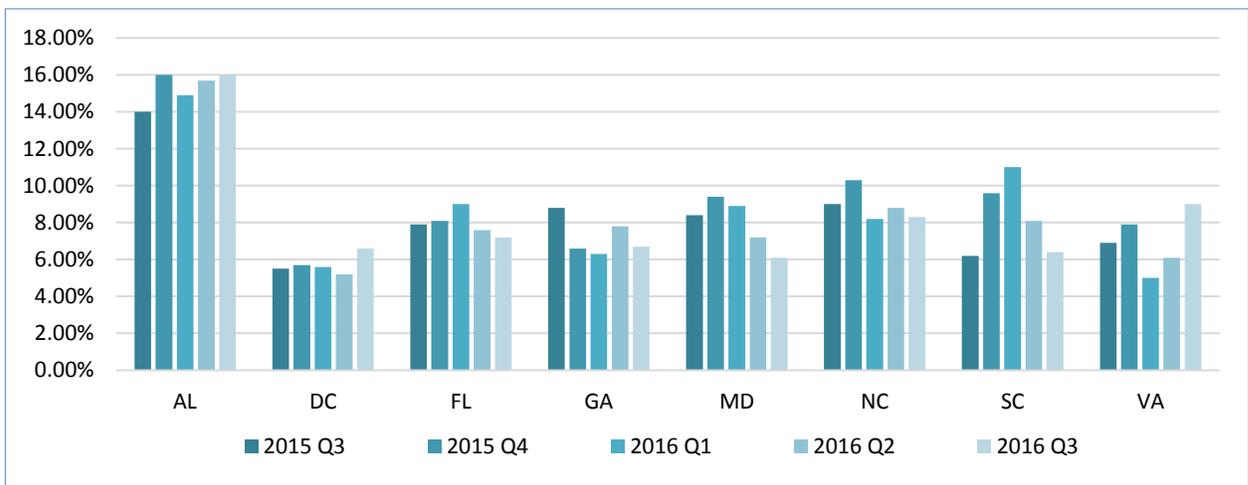
##### Demographic Drivers

Although research suggests that homeownership rates are stabilizing, a significant number of potential homebuyers are deferring their home-buying decisions and looking to rent. The Joint Center for Housing Studies at Harvard University estimates an addition of around 9,000,000 renter households, between 2005 and 2015, which sets the record for an increase over any 10-year period<sup>4</sup>. The growth observed can certainly be attributed to those most likely to rent (i.e. younger adults, single person household, and lower-income) however, the data also reflects an increase of renter households in their 50s and 60s of 4,300,000 in that same 10 year span.<sup>5</sup>

##### Vacancy Rates in the Southeast

Vacancy rates varied throughout the district over the last year and the gap between the lowest and highest rates in our district has grown. At the closing of the third quarter 2015 there were five states in our district above the national average for rental vacancy rates. Now only three states, Alabama, Virginia and North Carolina, exceed the national rate of 7.5% (**Figure 9**). Maryland, South Carolina and Washington, D.C. have the lowest vacancy rates in the district, finishing the third quarter of 2016 at 6.1%, 6.4% and 6.6% respectively.

**Figure 9: Rental Vacancy Rate**



**Data Source:** [Housing Vacancies and Homeownership, U.S. Census Bureau](#)

<sup>3</sup> “Report on the Economic Well-Being of U.S. Households in 2014” Board of Governors of the Federal Reserve System May 2015

<sup>4</sup> Joint Center for Housing Studies of Harvard, [The State of the Nation’s Housing 2016](#). Harvard (2016) pg. 25

<sup>5</sup> Joint Center for Housing Studies of Harvard, [The State of the Nation’s Housing 2016](#). Harvard (2016) pg. 25

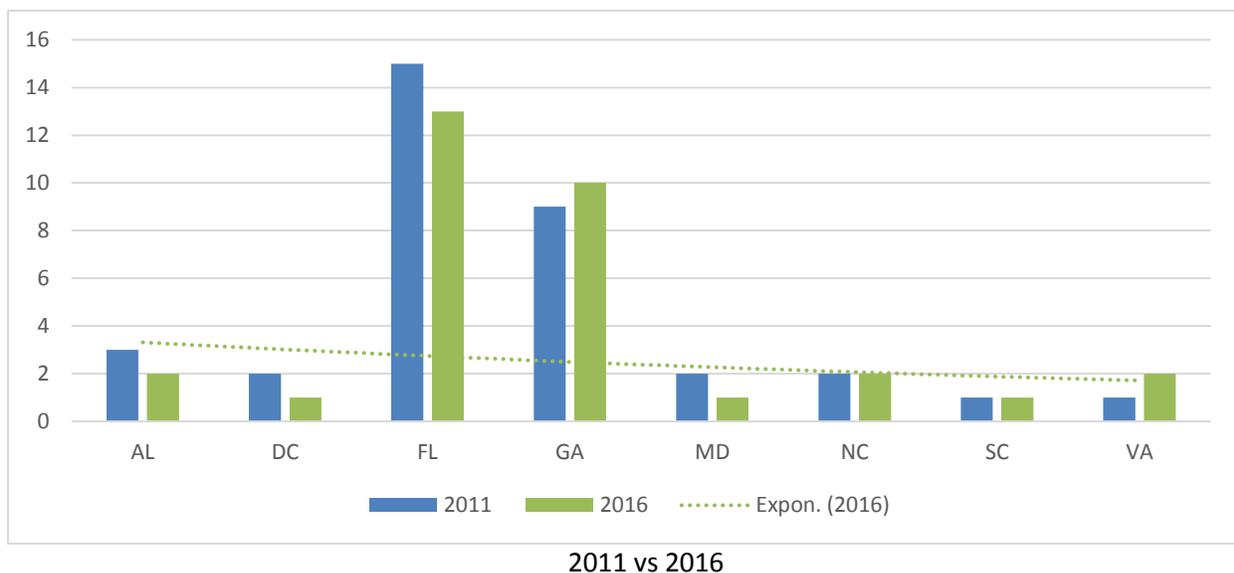
### Preserving Affordability

A majority of the major U.S. metro areas saw rents climb over the past year, with the consumer price index for contract rents rising 3.7% in 2015, double the inflation rate of 1.6.<sup>6</sup> Rising rents, coupled with a decrease in available federal and privately owned subsidies, creates a significant emerging need for low to moderate income renters. According to the Joint Center for Housing Studies, the number of vacant units with rents under \$800 per month dropped 12% from 2013 to 2014.<sup>7</sup> Additionally, more than 80% of households with incomes under \$15,000 were paying more than 30% of their income for rent in 2013, and HUD-funded, project-based rental assistance programs supported 4.8 million renters nationwide.<sup>8</sup> Given this emerging need for affordable housing preservation, innovative solutions will need to emerge and focus on delivering affordable and flexible financing that keeps rents affordable for low to moderate tenants within the Bank’s district.

### E. Shareholder Minority Depository Institutions in the FHLBank Atlanta district

Minority Depository Institutions (MDIs) serve customers and communities that need access to credit, but can also provide a sometimes unique insight into the financial challenges that can exist due to socioeconomic and cultural conditions. Over the last five years, the Bank’s district has had a gradual decline in the number of MDIs serving various markets. Increased competition from larger commercial banks penetrating low-income to moderate-income markets has reduced the market share of MDIs.<sup>9</sup>

**Figure 10: Shareholder MDIs per State in FHLBank Atlanta district**



Data Source: [Historical MDI Data Year-by-Year, FDIC](#)

<sup>6</sup> Joint Center for Housing Studies of Harvard, [The State of the Nation’s Housing 2016](#). Harvard (2016) pg. 28

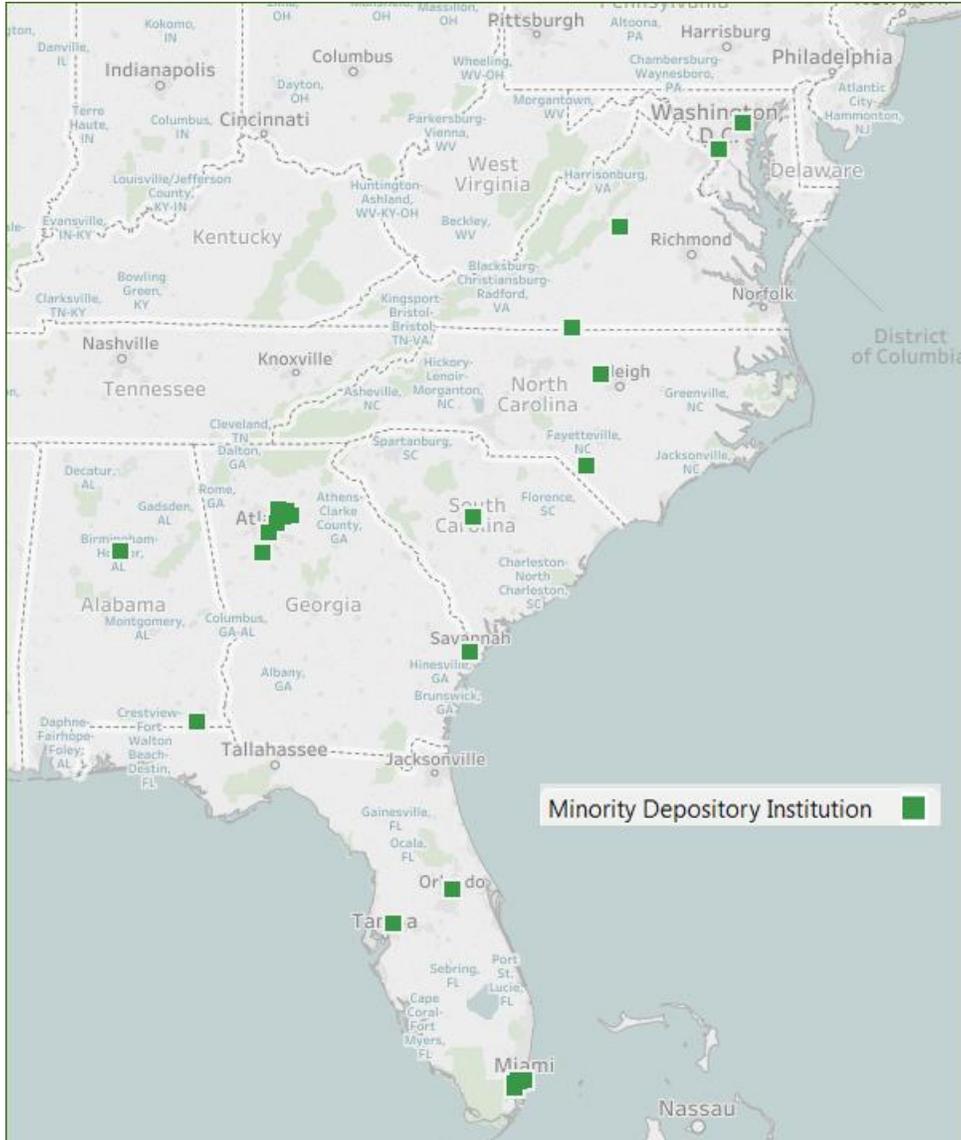
<sup>7</sup> Joint Center for Housing Studies of Harvard, [The State of the Nation’s Housing 2015](#). Harvard (2015) pg. 28

<sup>8</sup> Joint Center for Housing Studies of Harvard, [The State of the Nation’s Housing 2015](#). Harvard (2015) pg. 32

<sup>9</sup> “The Changing Face of Communities Served by Minority Depository Institutions” University of Wisconsin-Whitewater (2015) pg. 6

The Bank's district has an even geographical distribution of shareholder MDIs. Throughout the district, numerous markets are served by our shareholder MDIs and there is a concentration of institutions in Florida and Georgia (**Figure 11**).

**Figure 11: Shareholder MDIs in FHLBank Atlanta district**

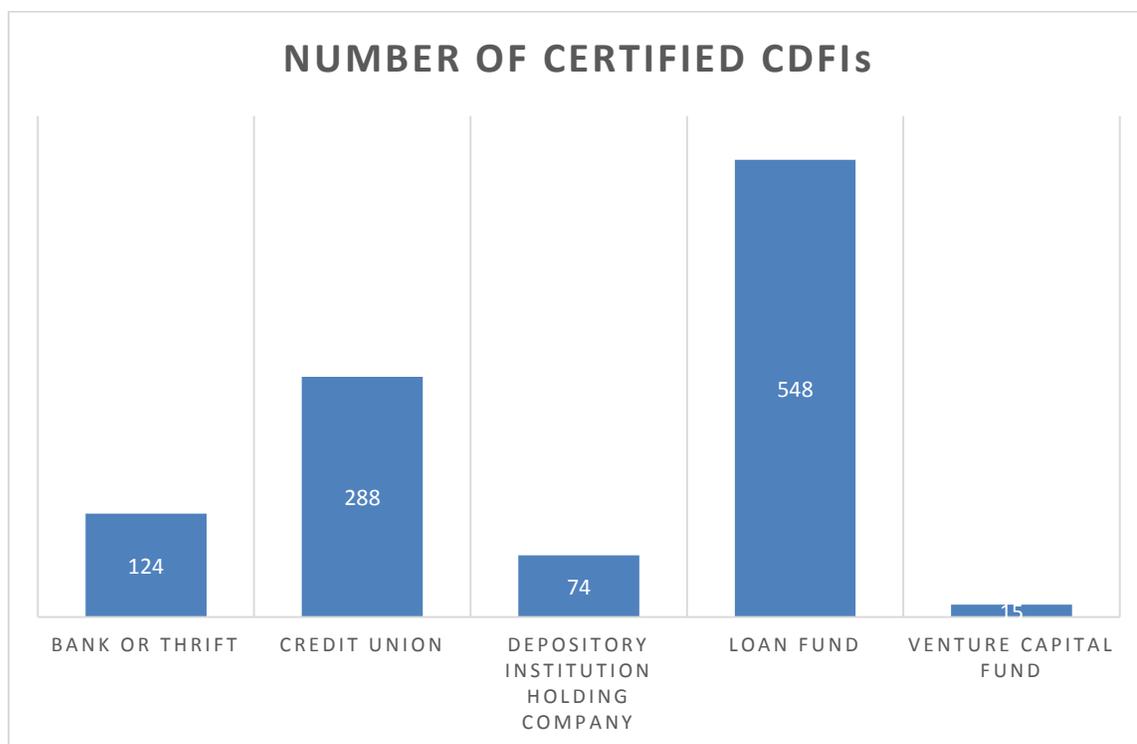


Data Source: [FHLBank Atlanta](#)

**F. Shareholder Depository and Non-Depository Community Development Financial Institutions in the FHLBank Atlanta district**

CDFIs are instrumental in providing for communities’ housing credit needs when traditional bank products may not be a viable option. CDFIs fill a niche by specializing in providing credit to borrowers and communities that may be difficult for traditional banks to serve.<sup>10</sup> CRA regulations in 1995 were the catalyst to the growth of the sector of the financial industry; however, better positioning CDFIs to fulfill their mission can lead to truly supplying the unwavering demand for affordable housing. As of 2014, nationally there 831 certified CDFIs: 84 community development banks, 51 depository institution holding companies, 190 credit unions, and 13 venture capital funds.<sup>11</sup> Over the last two years, growth of the CDFIs has increased the total number of certified CDFIs to 1,049 (**Figure 12**).

**Figure 12: Certified CDFIs in 2016 (National)**



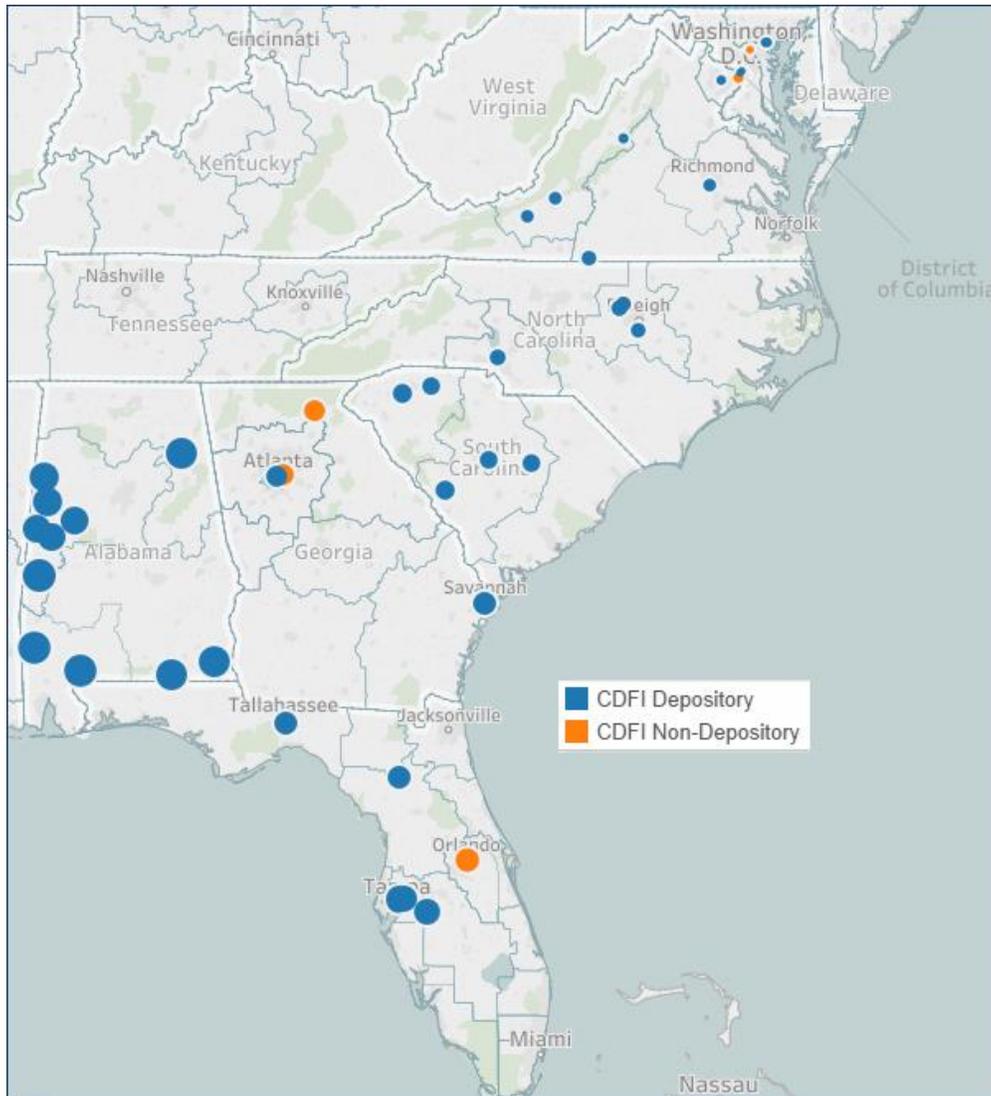
**Data Source:** [U.S. Department of Treasury, CDFI Fund](#)

<sup>10</sup> “Strategies for Community Banks to Develop Partnerships with Community Development Financial Institutions” FDIC. (March 2014). Pg 1.

<sup>11</sup> U.S Department of the Treasury CDFI Fund, “Community Development Financial Institution Fund. [http://www.cdfifund.gov/what\\_we\\_do/programs\\_id.asp?programID=9](http://www.cdfifund.gov/what_we_do/programs_id.asp?programID=9).

Of the total 1,049 CDFIs nationally, there are 171 operating in states located in the Bank's district. The Bank has 47 shareholder CDFIs, both Depository and Non-Depository (**Figure 13**) serve markets in every state in the Bank's district.

**Figure 13: Shareholder CDFIs in FHLBank Atlanta district**



*Figure 13: Larger dots signify multiple Depository CDFIs in a particular city*

**Data Source:** [FHLBank Atlanta](#)

**PART TWO: STRATEGIC INITIATIVES AND GOALS FOR YEAR 2017 IN RESPONSE TO THE  
COMMUNITY FINANCE NEEDS OF THE DISTRICT**

**Strategic Initiatives**

2017 Initiatives
A suite of products and services to assist members in response to Veterans' housing challenges
CRA Center of Excellence
Implement our Community Restore and Rebuild product and leverage Structured Partnership Products (SPP) opportunities to respond to major disaster events in the district
Enhance our CDFIs (depository and non-depository) in their response to community lending credit needs and market opportunities
Enhance our Minority Depository Institutions (MDIs) in their response to community lending credit needs and market opportunities

**A Suite of Products and Services to Assist Members' Response to Veteran's Housing Challenges**

To supply the continued need for housing and supportive services geared towards our veterans. The Bank will continue to leverage its suite of Veterans AHP Set-aside products as well as create scoring priorities within the AHP Competitive Program to assist the Bank's members in responding to veterans' housing challenges throughout the district.

**CRA Center of Excellence**

Based on the current market conditions analysis, the Bank's members will continue to rely upon Community Reinvestment Act (CRA) tools, resources, strategies, and tactics to respond to market challenges. The Bank will seek opportunities to inform and work with its members to leverage the Bank's products and resources to advance their CRA business development.

The Bank will continue to conduct CRA forums and consultations designed to provide shareholders that are subject to the Community Reinvestment Act (CRA), an innovative and trusted outline for achieving their CRA "investment" and community development lending compliance objectives. Concurrently, the Bank will enable all shareholders, including those not subject to CRA (credit unions, non-depository CDFIs, insurance companies), the opportunity to access the proceeds of the fund.

**Growing Our Community Restore and Rebuild Product and Leverage Structured Partnership Products (SPP) Opportunities to Respond to Major Disaster Events in the District**

Based on the recent history, the district continues to be affected by catastrophic events and the Bank will leverage the AHP funds to respond to and support our shareholders' efforts to help restore their communities in the aftermath of catastrophic events within the Bank's district. The Bank's support will

occur through a rehabilitation product and business development strategy, within our AHP Set-aside program.

**Enhance our Shareholder CDFIs (depository and non-depository) in Their Response to Community Lending Credit Needs and Market Opportunities**

The Bank will execute a segment-focused compliance and business development initiative to enhance the capacity of its shareholder CDFIs, both depository and non-depository, to respond to community lending credit needs in their respective markets.

**Enhance our Shareholder Minority Depository Institutions (MDIs) in Their Response to Community Lending Credit Needs and Market Opportunities**

The Bank will execute a segment-focused compliance and business development initiative to enhance the capacity of its shareholder MDIs to respond to community lending credit needs in their respective markets.

**Quantitative Performance Goals**

In addition to the Bank's community lending initiatives described above, the Bank will also focus on the following quantitative goals for 2017:

- Conduct five member or sponsor outreach workshops throughout the district to increase participation in AHP Competitive and AHP Set-aside programs.
- Conduct two member and/or sponsor CRA Business Development workshops in collaboration with a regulator(s).
- Host 10 technical assistance webinars/conference calls to enhance current and potential users understanding of programs and products requirements and benefits, with specific outreach to MDI and CDFI shareholders.